

§ 302. Assignment of lease; subletting

The right conferred by this chapter may, subject to the approval of the Secretary of the Interior, be assigned or sublet by the owner thereof to any corporation, firm, association, or individual.

(May 21, 1930, ch. 307, § 2, 46 Stat. 373.)

§ 303. Conditions precedent to award of lease; preferred class; bidding

Prior to the award of any lease under section 301 of this title, the Secretary of the Interior shall notify the owner or lessee of adjoining lands and allow him a reasonable time, to be fixed in the notice given, within which to submit an offer or bid of the amount or percentage of compensatory royalty that such owner will agree to pay for the extraction through wells on his or its adjoining land, of the oil or gas under and from such adjoining right of way, and at the same time afford the holder of the railroad or other right of way a like opportunity within the same time to submit its bid or offer as to the amount or percentage of royalty it will agree to pay, if a lease for the extraction of the oil and gas deposits under the right of way be awarded to the holder of such right of way. In case of competing offers by the said parties in interest, the Secretary shall award the right to extract the oil and gas to the bidder, duly qualified, making the offer in his opinion most advantageous to the United States. In case but one bid or offer is received after notice duly given, he may, in his discretion, award the right to extract the oil and gas to such bidder.

(May 21, 1930, ch. 307, § 3, 46 Stat. 374.)

§ 304. Provisions authorized in lease

Any lease granted by the Secretary of the Interior pursuant to this chapter may, in the discretion of said Secretary, contain a provision giving the lessee the right, with the approval of said Secretary, to shut down the operation of any well or wells the operation of which has become unprofitable, to resume operations when such resumption may result in profit, and to abandon any well or wells that cease to produce oil and/or gas in paying quantities.

(May 21, 1930, ch. 307, § 4, 46 Stat. 374.)

§ 305. Royalties under lease

The royalty to be paid to the United States under any lease to be issued, or agreement made pursuant to this chapter, shall be determined by the Secretary of the Interior, in no case to be less than 12½ per centum in amount or value of the production, nor for more than twenty years: *Provided*, That when the oil or gas is produced from land adjacent to the right of way the amount or value of the royalty to be paid to the United States shall be within the discretion of the Secretary of the Interior: *Provided further*, That when the daily average production of any oil well does not exceed ten barrels per day said Secretary may, in his discretion, reduce the royalty on subsequent production.

(May 21, 1930, ch. 307, § 5, 46 Stat. 374.)

§ 306. Rules and regulations

The Secretary of the Interior is authorized and directed to adopt rules and regulations governing the exercise of the discretion and authority conferred by this chapter, which rules and regulations shall constitute a part of any application or lease hereunder.

(May 21, 1930, ch. 307, § 6, 46 Stat. 374.)

**CHAPTER 6—SYNTHETIC LIQUID FUEL
DEMONSTRATION PLANTS****§§ 321 to 325. Omitted****CODIFICATION**

Section 321, acts Apr. 5, 1944, ch. 172, § 1, 58 Stat. 190; Mar. 15, 1948, ch. 117, 62 Stat. 79; Sept. 22, 1950, ch. 988, § 1, 64 Stat. 905, authorized the Secretary of the Interior for not more than eleven years to construct, maintain, and operate plants producing synthetic liquid fuel from coal, oil shale, agricultural and forestry products and prescribed the size of the plants and amount of production.

Section 322, act Apr. 5, 1944, ch. 172, § 2, 58 Stat. 190, in order to carry out the 11 year demonstration plant program, authorized laboratory research and development, acquisition by purchase of license of secret processes, inventions, etc., acquisition of land, plants, etc., contracting for personnel, and cooperation with other Federal and State agencies. See note for section 321 above.

Section 323, acts Apr. 5, 1944, ch. 172, § 3, 58 Stat. 191; Oct. 31, 1951, ch. 654, § 4(2), 65 Stat. 709, related to licenses and patent rights under the 11 year demonstration plant program. See note for section 321 above.

Section 324, act Apr. 5, 1944, ch. 172, § 4, 58 Stat. 191, provided that moneys received under this chapter for products and royalties from the 11 year demonstration plant program be paid into the Treasury as miscellaneous receipts and a report to Congress on all operations under this chapter be rendered by the Secretary on or before the first day of January of each year. See note for section 321 above.

Section 325, act Apr. 5, 1944, ch. 172, § 5, 58 Stat. 191, authorized the Secretary to issue rules and regulations to carry out the 11 year demonstration plant program under this chapter and provided that the authority and duties of the Secretary be exercised through the Bureau of Mines. See note for section 321 above.

AUTHORIZATION OF APPROPRIATIONS

Section 6 of act Apr. 5, 1944, as amended by acts Mar. 15, 1948, and Sept. 22, 1950, § 1, authorized appropriations of not to exceed \$87,600,000 to carry out the provisions of this chapter.

MORGANTOWN, W. VA., EXPERIMENT STATION

Section 2 of act Sept. 22, 1950, provided that out of the \$87,600,000 authorized to carry out this chapter, not to exceed \$2,600,000 be used for the construction and equipment of an experiment station in or near Morgantown, West Virginia, for research in mining, preparation, and utilization of coal, petroleum, natural gas, peat, and other minerals.

**CHAPTER 7—LEASE OF MINERAL DEPOSITS
WITHIN ACQUIRED LANDS**

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351.	Definitions.
352.	Deposits subject to lease; consent of department heads; lands excluded.
353.	Sale of lands unaffected; reservation of mineral rights; sale subject to prior lease; naval petroleum reserves unaffected.
354.	Lease of partial or future interests in deposits.